THE MINISTER OF WATER RESOURCES (PROF. SAIF-UD-DIN SOZ): (a) to (c) No, Sir. There has been continuous increase in the irrigation potential through canal and water distribution system created under major & medium irrigation projects and minor irrigation schemes utilizing surface water.

The irrigation potential through major and medium projects and minor irrigation schemes utilizing surface water has increased from about 45.46 million hectares (Mha) at end of Eighth Plan (March) 1997) to about 56.66 Mha at the end of Tenth Plan (March 2007). Similarly, the irrigation potential utilized from these schemes has increased from about 39.51 Mha at the end of Eighth Plan to about 46.42 Mha at the end of Tenth Plan.

The Government of India has given due emphasis on irrigation development and continuous efforts are made to further increase the creation of irrigation potential. Creation of irrigation potential of 9 Mha through major and medium irrigation projects and 7 Mha through minor irrigation schemes is envisaged during Eleventh Plan.

Volatility in stock markets

*10. SHRI DARA SINGH:
SHRI RAJKUMAR DHOOT:

Will the Minister of FINANCE be pleased to state:

(a) whether the stock markets in the country witnessed the biggest single day drop and rise this year resulting in single day drop of 1408.35 points and investors losing wealth of Rs. 6,63,975 crore in January, 2008;

(b) if so, what are the reasons behind the volatility in stock markets;

(c) whether any review has so far been conducted to analyse the reasons for the said steep fall and rise of markets;

(d) if so, the details thereof along with steps taken, if any, to contain the extreme swings; and

(e) if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Sensex and Nifty witnessed a fall of 1408.35 points and 496.5 points respectively on January 21, 2008. They also witnessed a rise of 1139.92 points and 349.90 points respectively on January 25, 2008. These are the largest single day movements by way of value of indices. They are, however, much lower compared to large movements observed earlier in percentage terms. The loss or gain arising from market movement is notional.

(b) to (e) Volatility is inherent in any market. It is an outcome of perceptions of the investors—domestic and overseas, retail and institutional—about the economy, the sector and the company. This perception is influenced by many factors including the macro-economic enivironment, the growth potential of the economy, policy credibility of the government, corporate performance, domestic and international events and market sentiments.

The Government does not try to manage or control volatility. The Government's endeavour is to build systems and practices and deepen and broaden markets which can withstand volatility. The Government has put in place systems and practices to promote a safe, transparent and efficient market and to protect market integrity. The systems instituted include

advanced rise management mechanisms comprising on line monitoring and surveillance, various limits on positions, margin requirements, circuit filters, etc. Measures taken to broaden and deepen markets include: screen based trading system, dematerialization of securities, corporatization and demutualization of exchanges, settlement through clearing corporation, trading in of derivatives, etc. The recent volatility is attributed among others to sub-prime mortgage crisis in the US, change in the monetary stance of developed countries, the expected recession in US, firming up of oil prices, Yen carry trade, the policy measures on Offshore Derivative Instruments by SEBI, impact of primary market issues, relative valuations in emerging markets, etc.

Karnataka State Finance Corporation

*11. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of FINANCE be pleased to state:

(a) whether the State Government of Karnataka has approached the Central Government to direct Small Industries Development Bank of India (SIDBI) to resume refinance facility to Karnataka State Finance Corporation so as to enable it to help the Small and Medium Enterprises financially;

(b) if so, the action taken thereon; and

(c) if not, the reasons for delay and by when necessary action in the matter is likely to be taken?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) The Reserve Bank of India (RBI) had issued instructions to Small Industries Development Bank of India (SIDBI) on June 1, 2007 to stop refinance to State Financial Corportions (SFCs) with negative net worth. In response to the request made by the State Government of Karnataka in respect of Karnataka State Financial Corporation (KSFC) which had negative net worth, the matter was taken up with RBI. After detailed follow up the Government of Karnataka has committed to provide funds in a time bound manner to make the net worth of KSFC positive. In view of this commitment, RBI has permitted SIDBI on February 18, 2008 to provide refinance to KSFC. Accordingly SIDBI has disbursed Rs. 40 crore to KSFC on 22.02.2008.

Delay in flights due to fog

*12. SHRI ABU ASIM AZMI: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that due to heavy fog, the flights from the Indira Gandhi International Airport (IGI), New Delhi, had been long delayed;

(b) if so, the details of such delayed flights during the last fortnight and financial loss suffered as a result thereof;

(c) whether such fog spreads also in airports of European countries and the fog is cleared there in time to avoid delay;

(d) if so, whether Government has approached such countries to provide such technology to India to avoid delay and loss;

(e) if so, the details thereof; and

(f) if not, the steps expected to be taken to avoid delay in future?